

SENATE BILL 2764

By Ford, O.

AN ACT to amend Tennessee Code Annotated, Title 45,
Chapter 17, Part 1, relative to service charges
which may be assessed for deferred presentment
services.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 45-17-112(b), is amended by
deleting the subsection in its entirety and by substituting instead the following language:

(b)

(1) For deferred presentment services for a check in excess of five hundred dollars (\$500), a licensee may charge a fee to defray operational costs, including, but not limited to, investigating the checking account and copying required documents, photographing the person signing the check, securing the check and customer records in a safe, fire-proof place, maintaining records as required by this chapter, maintaining required capital and liquidity, processing, documenting and closing the transaction, and for other expenses and losses.

The fee authorized by this subdivision (b) (1) shall not exceed the lesser of:

(A) Fifteen percent (15%) of the face amount of the check; or

(B) Thirty dollars (\$30.00). The fee, when made and collected, shall not be deemed interest for any purpose of law.

(2)

(A) For deferred presentment services for a check of five hundred dollars (\$500) or less, a licensee may charge a service charge or fee or both a service charge and fee to defray operational costs, including, but not limited to, investigating the checking account and copying required

documents, photographing the person signing the check, securing the check and customer records in a safe, fire-proof place, maintaining records as required by this chapter, maintaining required capital and liquidity, processing, documenting and closing the transaction, and for other expenses and losses.

(B) For purposes of this subdivision (b) (2), the service charge and fee, while not being deemed interest for any purpose of law, shall be calculated as if it were interest for the purpose of calculating an annual percentage rate. Such charges shall not, when all charges are calculated together for the deferred presentment services, be greater than an annual percentage rate of one hundred percent (100%).

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.